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ATTORNEYS FOR THE AD HOC GROUP  
OF LEHMAN BROTHERS CREDITORS

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

	)	
In re	)	Chapter 11
	)	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	)	Case No. 08-13555 (JMP)
	)	
Debtors.	)	(Jointly Administered)
	)	

**LIMITED OBJECTION OF THE AD HOC GROUP OF LEHMAN BROTHERS  
CREDITORS TO THE STIPULATION AND ORDER BETWEEN LEHMAN  
BROTHERS HOLDINGS INC. AND JAMES W. GIDDENS, AS TRUSTEE FOR THE  
SIPA LIQUIDATION OF LEHMAN BROTHERS INC., WITH RESPECT TO JOINT  
CLAIMS ASSERTED AND JOINT ADVERSARY PROCEEDINGS COMMENCED  
PURSUANT TO BANKRUPTCY CODE SECTIONS 544, 547, 548 AND 550**

TO THE HONORABLE JAMES M. PECK,  
UNITED STATES BANKRUPTCY JUDGE:

The Ad Hoc Group of Lehman Brothers Creditors (the “Ad Hoc Lehman Group”), by and through its undersigned counsel, hereby files this limited objection (the “Limited Objection”) to the proposed stipulation and order between Lehman Brothers Holdings Inc. (“LBHI”) and James W. Giddens, as trustee for the SIPA liquidation of Lehman Brothers Inc. (the “Trustee”), with respect to joint claims asserted and joint adversary proceedings commenced pursuant to Bankruptcy Code sections 544, 547, 548 and 550, dated August 24, 2010 [Docket No. 11001] (the “Proposed Stipulation and Order”). In support of this pleading, the Ad Hoc Lehman Group respectfully states as follows:

## **LIMITED OBJECTION**

1. By the present application, the Debtors, along with the Trustee, seek approval of a proposed stipulation and order in which the Court will grant the Debtors and LBI the right to determine the ownership of claims brought in Avoidance Proceedings<sup>1</sup> and entitlement to Avoidance Proceeds. Specifically, the Proposed Stipulation and Order provides that the Parties, namely LBI and the Debtors, will decide which Avoidance Proceedings are LBI Avoidance Proceedings, Debtor Avoidance Proceedings or Joint Avoidance Proceedings. (Stip. ¶¶ 1-3) It further provides that “[t]he Debtors shall not . . . share in Avoidance Proceeds recovered through, any Avoidance Proceedings agreed between the Parties to be LBI Avoidance Proceedings, unless otherwise agreed by the Parties” and “[t]he Trustee shall not . . . share in Avoidance Proceeds recovered through, any Avoidance Proceedings agreed between the Parties to be Debtor Avoidance Proceedings, unless otherwise agreed by the Parties.” (Stip ¶¶ 1, 2) Similarly, with respect to Joint Avoidance Proceedings, the Proposed Stipulation and Order provides that “[t]he Parties shall meet and confer from time to time to determine the allocation between the Parties (the “Allocation”) of Shared Avoidance Proceeds, subject to any Order of the Court directing a particular Allocation.” (Stip. ¶ 6) While the Proposed Stipulation and Order does include a reservation of rights, such reservation only extends to LBI and the Debtors. (Stip. ¶ 7)

2. The Proposed Stipulation and Order, as drafted, would permit the Debtors to allocate among themselves the ownership of Avoidance Proceedings or the proceeds received therefrom without any Court oversight or approval. Given the pervasive conflicts inherent in any such inter-Debtor Allocation, as addressed in the Ad Hoc Lehman Group’s prior filings [Docket Nos. 9905, 10752, 10753], neither the Debtors, their management nor their counsel are in a

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<sup>1</sup> Capitalized terms used but not defined herein are as defined in the Proposed Stipulation and Order.

position to resolve which of the Debtors owns a particular Avoidance Proceeding or is entitled to the proceeds, if any, therefrom.

3. As such, the Ad Hoc Lehman Group requests that the Proposed Stipulation and Order be modified to provide specifically that nothing in the order (i) authorizes any Debtor, its management or its counsel to seek to resolve any issue with respect to ownership or control of Avoidance Proceedings between or among any Debtors, or (ii) prejudices in any way, or operates as a waiver of, the rights of any Debtor or party in interest, with respect to any inter-Debtor issues arising in respect of the Avoidance Proceedings.

WHEREFORE, the Ad Hoc Lehman Group respectfully requests that, if the Proposed Stipulation and Order is approved, the Court modify the Stipulation and Order as set forth above and grant such other and further relief as the Court deems just and proper.

Dated: August 30, 2010  
New York, New York

Respectfully submitted,

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By: /s/ Gerard Uzzi  
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